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THE ARAB STAKE IN AMERICA

Governments and oil millionaires of the Middle East are said to be invading U.S. markets in a wholesale buying binge. Worried experts fear that as a result the Arabs may soon be able to exert undue influence on American policies.

By Judith Miller

Like modern-day Paul Reveres, news reports warn of a new kind of foreign invasion. On Wall Street, in banking, industry, real estate, the clarion sounds: The Arabs are coming! The Arabs are coming! Flushed with Petrodollar surpluses, the governments and oil millionaires of the Middle East are said to be invading American markets in a colossal buying binge.

To many Americans, this economic offensive is even more alarming than the Arab oil embargo of 1973. That, at least, was a direct confrontation, something this nation could cope with if it had the wit and the will. The rise in Arab investments, according to some analysts, is more insidious: If the oil embargo was the stick, the investments are the carrot — some would say drug, on which the nation has become increasingly dependent.

The Carter Administration seeks to assuage the fear that American dependency on Arab oil and Petrodollars could undermine the nation's ability to conduct an independent foreign policy. Direct Arab investment here has been relatively modest, Carter spokesmen say, and they add that even this modest level helps

return dollars spent on oil, thus aiding the American economy. The Administration's public assurances, however, are belied by its private posture. The Carter Government has gone to extraordinary lengths, as did its two predecessors, to prevent public disclosure of details of the Arab investment, even to the Congress.

For several weeks, the House Subcommittee on Commerce, Consumer and Monetary Affairs, headed by Representative Benjamin S. Rosenthal, Democrat of Queens, has been locked in combat with the Treasury Department, the C.I.A. and other executive agencies over access to such information. Capitol Hill sources say that Mr. Rosenthal is prepared to subpoena the information, if necessary, to evaluate these investments in hearings next month. "The need for this assessment has become even more critical in the wake of new oil-price hikes," Mr. Rosenthal says. "OPEC had little surplus last year, but this year the Arabs will have an estimated \$30 billion to play around with; we just don't know what they're doing with it."

Many Government officials, financial analysts, lobbyists, scholars and bankers are willing to speak out on the subject — though most insist on anonymity — and they are of the opinion that while the Arab investment may not at first glance seem overwhelming, it does provide the Arabs, at least indirectly, with tremendous new political leverage and even greater potential.

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Private investments, though substantially smaller than those of the governments', offer an intriguing glimpse of the Arabs' undertakings. And a recent secret C.I.A. study concludes that some of these private dealings may be more "destabilizing" than the official ones. Individuals, the study notes, may be more willing to undertake riskier or more speculative investments than the Arab governments would be.

Ghaith R. Pharaon, the Saudi millionaire who has bought two American banks, real estate and construction firms, in 1978 purchased former budget director Bert Lance's National Bank of Georgia stock for \$20 a share — or \$9 above the then market price.

Some time later, four other influential Arabs involved in American banking were charged by the Securities and Exchange Commission with violating securities laws by secretly attempting to acquire control of Financial General Bankshares, a \$2.2 billion bank-holding company in the heart of Washington, D.C.

Adnan Khashoggi, a Saudi businessman, is now wanted for questioning by S.E.C. and Justice Department officials who want to ask about his acceptance of millions of dollars in allegedly illegal commissions from sales activities, in Saudi Arabia, for Northrop, Raytheon and Lockheed corporations.

Roger Tamraz, a Harvard-trained Lebanese financier, is chairman of The First Arabian Corporation, a Luxembourg-based syndicate of Kuwaiti and Saudi Arabian investors that owns, among other things, the Bank of the Commonwealth in Detroit (in which Ghaith Pharaon was also an original investor). Mr. Tamraz's activities came to light in 1974, when his syndicate had made an unsuccessful bid for control of the Lockheed Corporation, a Defense contractor. "The deal was misrepresented in the press," Mr. Tamraz says. "We never sought control, but, rather, viewed Lockheed as a sound investment, despite its temporary cash